

*Memorandum***SECRET**

TO : Assistant for Administration, NPIC

DATE: 28 JAN 1964

FROM : Chief, Procurement Division, OL

SUBJECT: NPIC Requisition No. 5500-2583-64 (Voucher 64-100, 134)

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1. Subject requisition is for the services of a [REDACTED] Company technical representative to be provided on a full time basis at NPIC for the period 1 October 1963 through 30 June 1964.

2. During the period 19 September through 19 December 1963, negotiations were conducted with this firm in an attempt to fulfill the requirements of this requisition. At the time the negotiator received the proposal for this work from [REDACTED] on 19 September it was pointed out to their representative, [REDACTED], that the price proposed appeared unreasonably high. [REDACTED] was asked at that time to submit an analysis of the price to permit a better evaluation. This was submitted to the negotiator by [REDACTED] letter dated 24 September.

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25X1A 3. The daily rate proposed for this work by [REDACTED] was [REDACTED]. This proposal was considered to be unreasonable because of the following:

a. It included an unusually high per diem rate of \$16.00 per day for the entire period of the contract.

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b. It was based on a profit rate of [REDACTED] which is quite high for the type of contract proposed.

25X1A c. The [REDACTED] rate was to be paid for the entire period regardless of any sick or annual leave taken by [REDACTED]

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d. It was based on an overall G & A rate of [REDACTED] which is quite high, particularly for services performed outside the Contractor's facility.

e. It provided for termination with seven days notice.

4. The proposed Contractor appeared uninterested in any negotiation of the above proposal and was very slow in replying to any

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OL # 3567

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25X1A of the negotiator's proposals. However, he did eventually agree
25X1A that the [REDACTED] included an allowance for leave and that no charges
would be made for days that [REDACTED] would be on leave.

25X1A 5. The negotiator was not satisfied with the results of the
25X1A negotiations up to this point. In view of his awareness of the
urgent and vital importance for the somewhat unique services of
[REDACTED] however, the negotiator presented the case to the
Procurement Evaluation Committee of the Office of Logistics on 8
October 1963 for guidance. [REDACTED] of NPIC attended
this meeting. During this meeting and the several meetings there-
after in the NPIC and OL, it was agreed that the cost of this
service would be unrealistically high, that the services were vitally
needed. During this time it was proposed that a "scope of work" be
prepared by [REDACTED] and that a fixed price contract be negotiated
based on this and the requirement for a final report. [REDACTED]
25X1A agreed that he would try to do this but later indicated that this
25X1A would not be practicable because the nature of the work is such
that it would be as assigned on a day to day basis not susceptible
to a "scope of work" delineation.

25X1A 6. As a result of the above, the negotiator continued during
November 1963 in an attempt to negotiate a reasonable arrangement
for the required services. Failing otherwise in getting any kind
of a concession, on 22 November the negotiator made an offer of
[REDACTED] per day to the Contractor's representative with the under-
standing that:

25X1A a. This would be an all inclusive rate except for reim-
bursement for reasonable moving expense (expected to be rela-
tively minor since [REDACTED] and his family would be occupying
a furnished apartment) and for transportation while in travel
status (expected to be tourist class insofar as possible).

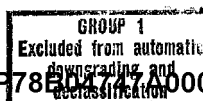
b. Leave or holiday days not to be charged to the Govern-
ment.

25X1A c. Termination to be on seven days notice by either party.
25X1A If terminated by the Contractor, [REDACTED], or for just cause
the return move of [REDACTED] not to be at Government expense.

The Contractor's representative agreed to consider this pro-
posal and call the negotiator back. Not having heard from the
Contractor's representative, about a week later the negotiator
contacted the Contractor's representative and determined that the
offer made by the negotiator was not acceptable to [REDACTED]

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After some negotiation, the negotiator made a final offer of [REDACTED] per day. The Contractor's representative agreed to take this offer to management and advise the negotiator of their decision within the day. The negotiator heard nothing from [REDACTED]. After several later attempts, the negotiator was finally successful in contacting the Contractor's representative on 19 December 1963. At that time it was stated that [REDACTED] was not interested in this proposal as such at that time and that the only way that [REDACTED] might be made available would be for a day or a few days at a time for special jobs at the convenience of [REDACTED].

7. The negotiator immediately advised [REDACTED] office of the [REDACTED] position as indicated in paragraph 6 above. In view of this situation, the negotiator was advised that there was no interest in the arrangement offered and the requisition would be cancelled to close this case.

8. In the event you still have a requirement for this type of service, a solicitation of proposals for such should be arranged with [REDACTED] the OL Procurement Liaison Officer to NPIC.

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Distribution:

Orig. & 2 - Addressee

1 - Official File (64-100, 134)

1 - Deputy Chief/PD

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OL/PD/CB/ICS: [REDACTED]:ch/2383 (28 January 1964)

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

NPIC Requisition No. 5500-2583-64 (Voucher 64-100, 134)

FROM:

NO.

DATE

Chief, Procurement Division, OL

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. Assistant for Administration, NPIC

2. P+SS

29 Jan 64

JWL

11 Mar

To file

How

11 Mar

Does this agree w/ your version? If not, when is it wrong? What would you like to do now?

4.

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Case Closed
Memo to [redacted]
11 Mar 64

As of now the services of [redacted] with the obtained thru OT [redacted] in support of the P.I. performance analyses being set up with [redacted] I suggest we cancel all previous actions re this. JWL

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See i. Request for clearances for

STATINTL

*No. 56-63
dated 4 Oct 1963*